

**Iowa Department of Public Health**  
**Policy Bill Memo**  
**November 23, 2016**



**Purpose of the Legislation:**

The Iowa Department of Public Health's (IDPH) policy bill aligns the IDPH and Iowa Workforce Development's (IWD) licensure and registration processes for contractors.

**Background:**

IDPH is responsible for the implementation of Iowa Code Chapter 105 that establishes the Board of Plumbing and Mechanical Systems that is charged with the regulation of plumbing, mechanical professionals, and contractors. The renewal cycle for licenses is once every three years (May/June 2017, 2020, 2023, etc.).

IWD is responsible for the implementation of Iowa Code Chapter 91C that requires the registration contractors to ensure they are properly equipped with specific types of insurance, like workers' compensation insurance, and surety bonds. Surety bonds protect provide financial guarantees that contracts will be completed according to the mutually agreed upon terms. They protect consumers from fraud and malpractice. The IWD registration is good for twelve months starting with the date of issuance.

**Policy Fix Needed:**

IDPH and IWD have worked together to create a unified licensure and registration system to provide a single point of entry for this target population of consumers. However, since the two departments have different timeframes for their respective regulatory functions (3 years versus 12 months) the proposed language is needed to prorate the charges to the applicants.

Under the bill's language, IDPH will receive the applicant's fees for both licensure and registration on behalf of both departments and will transfer the appropriate amount of funding to IWD. The current code language works well for a new applicant who applies at the three-year renewal date (May or June 2017, 2020, 2023, etc.). However, it does not work well for new applicants or others that may apply at a different time during the three-year cycle.

Currently, for off-cycle applicants, IDPH is required to collect three times the registration fee for IWD regardless of where in the three year cycle the individual applies. This will result in IWD doing an extra step of processing a refund to sync the registration to the license. Authorization to prorate the fees will create a more efficient process for the applicant, IDPH, and IWD.

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